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# Farm Financial Programs 2001-2002

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# Introduction

Federal and provincial governments have laid out a national action plan to help the agriculture industry move beyond crisis management and build an architecture for success in the 21st century.

This action plan underlines the Government of Canada's commitment to working with provinces and territories, producers, the broader industry and consumers on a long-term agricultural policy consisting of five elements: risk management, food safety, the environment, innovation and renewal.

The plan will build on Canada's already established reputation in these areas. An important component of the plan is a group of programs that help farmers manage the inherent financial risks of farming.

This brochure provides an overview of the farm financial programs currently in place to assist producers, as well as Web site addresses and toll free numbers for further information.

# **Net Income Stabilization Account (NISA)**

The **Net Income Stabilization Account (NISA)** is a voluntary program developed jointly by producers, the Government of Canada and participating provinces. NISA is designed to help individual producers, regardless of the commodities they produce, achieve long-term farm income stability.

- Producers have the opportunity to deposit up to 3% of their Eligible Net Sales annually into their NISA accounts and receive matching government contributions as well as a 3% interest bonus over and above regular interest rates offered by the financial institution.
- By allowing their NISA accounts to build, farmers can then withdraw money from their NISA accounts when needed in lower income years.
- To participate producers must submit a NISA application annually.

## **IMPORTANT DATES:**

- **JUNE 15** deadline for applications from individuals;
- **JUNE 30** deadline for applications from corporations and cooperatives;
- **DECEMBER 31** deadline to make a deposit and request a withdrawal.

(or 60 days after the issue of the Deposit/Withdrawal Options Notice, whichever is later).

Visit the Farm Financial Programs Web site at [www.agr.gc.ca/ffp](http://www.agr.gc.ca/ffp) for information on all Agriculture and Agri-Food Canada (AAFC) farm financial programs or visit the NISA Website directly at [www.agr.gc.ca/nisa](http://www.agr.gc.ca/nisa) for more information on the Net Income Stabilization Account Program.

# **Canadian Farm Income Program (CFIP)**

The **Canadian Farm Income Program (CFIP)** is a national program designed to provide disaster assistance to Canadian producers who have experienced a sudden and severe drop in farming income for reasons beyond their control.

- The program is cost shared on a 60/40 basis by federal and provincial governments, and is in place for the 2000, 2001 and 2002 tax years.
- Up to \$2.2 billion will be available to farmers over the three years of the program.
- CFIP provides support in addition to NISA, crop insurance and provincial companion programs and is “green” under the World Trade Organization.

The federal government delivers the program in Manitoba, Saskatchewan, New Brunswick, Newfoundland and Nova Scotia while provincial governments deliver the program in Alberta, British Columbia, Ontario, Prince-Edward-Island, and Québec.

Visit the Farm Financial Programs Web site at [www.agr.gc.ca/ffp](http://www.agr.gc.ca/ffp) for information on all AAFC farm financial programs or visit the CFIP Web site directly at [www.agr.gc.ca/cfip](http://www.agr.gc.ca/cfip) for more information on the Canadian Farm Income Program.

# **Advance Payments Program (APP)**

The **Advance Payments Program (APP)** assists farmers to store eligible crops and market them over an extended season when marketing conditions are more favorable. The program:

- is open to farmers of field crops that are storable in their natural state, as well as to producers of maple syrup, honey and ranch-raised fur;
- is easily accessible through producer organizations which administer the APP through an agreement with the Government of Canada;
- provides cash advances based on half (50%) of the expected farm gate price of the crop in storage, with the maximum advance being \$250,000; and
- provides an interest-free feature on the first \$50,000 to eligible farmers in order to help them meet short-term financial commitments while storing crops.

Visit the Farm Financial Programs Web site at [www.agr.gc.ca/ffp](http://www.agr.gc.ca/ffp) for information on all AAFC farm financial programs, or visit the APP Web site at [www.agr.gc.ca/nmp/app](http://www.agr.gc.ca/nmp/app) for more information on the Advance Payments Program.

# Crop Insurance

**Crop Insurance** provides production risk-protection to farmers by minimizing the economic effects of crop losses caused by natural hazards such as drought, flood, hail, frost, excessive moisture and insects. Crop insurance:

- is a provincially designed and delivered program available for most commercially grown crops in each province; approximately 70% of its total costs are shared by the federal and provincial governments, the producer is responsible for the remaining 30%;
- provides protection based on individual crop experience, as well as offering a range of options (coverage levels, price options, etc.) and additional benefits (unseeded acreage, reseeding, etc.) to allow farmers to tailor coverage to meet their needs;
- provides crop-loss protection to Canadian farmers in the amount of \$5 to \$6 billion per year;
- provides timely, uncapped payments to producers even after one or more major crop failures; and
- offers protection for over 100 different crops which account for nearly 90% of the market receipts of all crops grown in Canada.

Visit the Farm Financial Programs Web site at [www.agr.gc.ca/ffp](http://www.agr.gc.ca/ffp) for more information on all AAFC farm financial programs and links to your provincial crop insurance agency or your provincial Department of Agriculture.

# **Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA)**

**FIMCLA** is a Government of Canada guaranteed loans program designed to increase the availability of loans for the improvement and development of farms and processing, distribution or marketing of farm products. The program makes credit available to both farmers and their cooperative associations.

- Individual farmers, farm partnerships or farm corporations can apply for up to \$250,000 under FIMCLA while up to \$3 million is available for cooperative associations.
- Loans can be granted for up to 80% of the purchase price or the appraised value of the property for which the loan is requested.
- FIMCLA makes credit available through 8,000 lending institutions across Canada.
- FIMCLA encourages investment in new machinery, livestock, buildings and new technology, and facilitates investment in alternate farming initiatives.
- By helping farmers and their cooperative associations with financing, FIMCLA contributes to market expansion, farm innovation, value added processing and environmentally sustainable farming.

Visit the Farm Financial Programs Web site at [www.agr.gc.ca/ffp](http://www.agr.gc.ca/ffp) for information on all AAFC farm financial programs, or visit the FIMCLA Web site at [www.agr.gc.ca/nmp/fimcla](http://www.agr.gc.ca/nmp/fimcla) for more information on the Farm Improvement and Marketing Cooperatives Loans Act.

# **Price Pooling Program (PPP)**

**The Price Pooling Program (PPP)** facilitates the marketing of agricultural products eligible under cooperative plans by guaranteeing minimum average wholesale prices based on forecast market prices for products sold by marketing agencies.

- provides single desk selling with a pooled price, enhancing orderly marketing of the products;
- encourages producers in forming their own marketing agency to take advantage of marketing opportunities, to help process products for increased returns, and to establish a market for producers' production;
- improves the cash flow position of producers by providing an initial payment for the product delivered to the cooperative;
- helps the marketing agencies lock in a minimum rate-of-return for their members and protects them from unexpected declines in the marketplace;
- improves the producers' farm income by allowing the marketing of their crops over an extended period and selling when market conditions are better;
- provides equal returns to producers for products of like grade, variety and type;
- assists marketing agencies in obtaining financing for operating funds; and
- enables the marketing agency to profit from economies of scale.

## **(PPP)**

Visit the Farm Financial Programs Web site at [www.agr.gc.ca/ftp](http://www.agr.gc.ca/ftp) for information on all AAFC farm financial programs or visit the PPP Web site directly at [www.agr.gc.ca/nmp/ppp](http://www.agr.gc.ca/nmp/ppp) for more information on the Price Pooling Program.

# **Companion Programs**

**Companion Programs** represent a broad range of province-based initiatives which complement the core farm financial programs (NISA, crop insurance and CFIP). These programs offer risk-protection to farmers or help industry development and research.

Federal funding of Companion Programs is based on the following principles. Programs should:

- be market-driven and developmental in nature, as well as being trade neutral; and
- facilitate structural changes needed by the industry to meet future challenges.

Visit the Farm Financial Programs Web site at [www.agr.gc.ca/ffp](http://www.agr.gc.ca/ffp) for more information on AAFC's farm financial programs and links to the Web site of your provincial Department of Agriculture. Contact your provincial Department for information on the Companion Programs available in your province.

# **Farm Debt Mediation Service (FDMS)**

The **Farm Debt Mediation Service (FDMS)** provides financial counselling for farmers and mediation between farmers and their creditors. This free and confidential service helps farmers to assess their current financial situation, explore their options and develop plans for the future.

The mediation process allows farmers to receive a financial review, including a financial statement and financial counselling by a Field Expert and mediation to assist the parties to find mutually agreeable solutions. The farmer can also apply for a stay of proceedings which prevents creditors from beginning or continuing to recover or seize assets.

To be eligible for this service, the applicant must farm commercially and be either unable to meet his financial obligations as they become due, or have ceased paying current obligations as they became due, or have property that, if disposed of, would not be sufficient to pay off all creditors.

Visit the Farm Financial Programs Web site at [www.agr.gc.ca/ffp](http://www.agr.gc.ca/ffp) for information on all AAFC farm financial programs or visit the FDMS Web site directly at [www.agr.gc.ca/progser/fdms\\_e.shtml](http://www.agr.gc.ca/progser/fdms_e.shtml) for more information on the Farm Debt Mediation Service.

# **Farm Consultation Service (FCS)**

The **Farm Consultation Service (FCS)** provides confidential financial management counselling to farmers with emphasis on planning, managing change and maximizing profits. For a \$100 fee, eligible farmers will receive the services of a qualified financial management consultant who will provide a financial review of the farmer's affairs, identify problems and alternatives and, once the farmer chooses a course of action, develop a two or three-year operational plan.

The FCS also provides a free pathfinding/referral service to assist farmers and lenders in accessing information, resources and alternatives available to them to find the means to improve or change the direction of the farm operation. The service is available over the phone through the local FCS office or on the Internet.

Visit the FCS Web site directly at  
[www.agr.gc.ca/progser/fcs\\_e.shtml](http://www.agr.gc.ca/progser/fcs_e.shtml) for more information on the Farm Consultation Service.

# **Farm Financial Programs on the Web**

To ensure that farmers across the country have easy access to information on farm financial programs, Agriculture and Agri-Food Canada (AAFC) has launched the Farm Financial Programs Web site.

The site link is a gateway to more in-depth information on AAFC farm programs. The Web site also provides links to provincial agriculture department Web sites.

Remember to bookmark Canada's Farm Financial Programs Web Site and visit it often!

**[www.agr.gc.ca/ffp](http://www.agr.gc.ca/ffp)**

# Contact Information

## Net Income Stabilization Account (NISA)

1-800-665-6472 (English)  
1-800-665-2776 (French)  
[www.agr.gc.ca/nisa](http://www.agr.gc.ca/nisa)

## Canadian Farm Income Program (CFIP)

1-888-343-1064 (English)  
1-888-592-4314 (French)  
[www.agr.gc.ca/cfip](http://www.agr.gc.ca/cfip)

**Note: CFIP is delivered by the provinces in British Columbia, Alberta, Québec, Ontario and Prince Edward Island**

## Advance Payments Program (APP)

(613) 759-6258 (APP Manager)  
[www.agr.gc.ca/nmp/app](http://www.agr.gc.ca/nmp/app)

## Crop Insurance:

*For more information on crop insurance, contact your provincial crop insurance agency or provincial Department of Agriculture.*

## Farm Debt Mediation Service

(866) 452-5556  
[www.agr.gc.ca/progser/fdms\\_e.phtml](http://www.agr.gc.ca/progser/fdms_e.phtml)

## Farm Consultation Service

(866) 452-5558  
[www.agr.gc.ca/progser/fcs\\_e.phtml](http://www.agr.gc.ca/progser/fcs_e.phtml)

## Government of Canada Programs and Services

1-800-622-6232  
[www.canada.gc.ca](http://www.canada.gc.ca)

## Provincial and territorial agriculture departments or governments

### Alberta

310-0000 (toll-free Alberta only)  
(780) 427-2711 (charges apply outside AB)  
[www.agric.gov.ab.ca](http://www.agric.gov.ab.ca)

## **British Columbia**

1-800-663-7867 (toll-free BC only)

[www.gov.bc.ca/agf](http://www.gov.bc.ca/agf)

## **Manitoba**

1-800-282-8060 (toll-free Manitoba only)

[www.gov.mb.ca/agriculture](http://www.gov.mb.ca/agriculture)

## **New Brunswick**

(506) 453-2251

[www.gnb.ca/afa-apa](http://www.gnb.ca/afa-apa)

## **Newfoundland**

(709) 637-2349

<http://public.gov.nf.ca/agric/>

## **Northwest Territories**

(867) 874-4567

[www.rwed.gov.nt.ca](http://www.rwed.gov.nt.ca)

## **Nova Scotia**

(902) 424-4560

[www.gov.ns.ca/nsaf/home.htm](http://www.gov.ns.ca/nsaf/home.htm)

## **Nunavut**

(867) 975-5925

[www.gov.nu.ca/sd.htm](http://www.gov.nu.ca/sd.htm)

## **Ontario**

(877) 424-1300

[www.gov.on.ca/OMAFRA](http://www.gov.on.ca/OMAFRA)

## **Prince Edward Island**

(902) 368-4880

[www.gov.pe.ca/af/index.php3](http://www.gov.pe.ca/af/index.php3)

## **Quebec**

(418) 380-2100

[www.agr.gouv.qc.ca](http://www.agr.gouv.qc.ca) (french only)

## **Saskatchewan**

(306) 787-5140

[www.agr.gov.sk.ca/](http://www.agr.gov.sk.ca/)

## **Yukon**

(867) 667-5811

[www.gov.yk.ca/](http://www.gov.yk.ca/)

# **Provincial Crop Insurance Agencies**

- **Alberta:**  
**Web address:**  
[www.agric.gov.ab.ca/ministry/afsc/farm/  
crop\\_overview.html](http://www.agric.gov.ab.ca/ministry/afsc/farm/crop_overview.html)  
**Tel.:** 1-800-396-0215
- **British Columbia:**  
**Web address:**  
[www.agf.gov.bc.ca/finance/arm/cropins/index.htm](http://www.agf.gov.bc.ca/finance/arm/cropins/index.htm)  
**Tel.:** (250) 861-7211
- **Manitoba:**  
**Web address:**  
[www.mcic-online.com/](http://www.mcic-online.com/)  
**Tel.:** (204) 239-3499
- **New Brunswick:**  
**Web address:**  
[www.gnb.ca/AFA-APA/10/06/1006020e.htm](http://www.gnb.ca/AFA-APA/10/06/1006020e.htm)  
(English)  
[www.gnb.ca/AFA-APA/10/06/1006020f.htm](http://www.gnb.ca/AFA-APA/10/06/1006020f.htm)  
(French)  
**Tel.:** (506) 453-2185
- **Newfoundland:**  
**Web address:**  
[www.gov.nf.ca/agric/programs/agribus/cropinsu.htm](http://www.gov.nf.ca/agric/programs/agribus/cropinsu.htm)  
**Tel.:** (709) 729-6748
- **Nova Scotia:**  
**Web address:**  
[www.gov.ns.ca/nsaf/ci/](http://www.gov.ns.ca/nsaf/ci/)  
**Tel.:** 1-800-565-6371  
(902) 893-6370

- **Ontario:**  
**Web address:**  
[www.agricorp.com](http://www.agricorp.com)  
**Tel.:** 1-888-247-4999
- **Prince Edward Island:**  
**Web address:**  
[www.gov.pe.ca/af/agweb/programs/cropinsurance.php3](http://www.gov.pe.ca/af/agweb/programs/cropinsurance.php3)  
**Tel.:** (902) 368-4880
- **Quebec:**  
**Web address:**  
[www.raaq.gouv.qc.ca/index\\_accueil.html](http://www.raaq.gouv.qc.ca/index_accueil.html)  
**Tel.:** 1-800-749-3646  
(418) 838-5602
- **Saskatchewan:**  
**Web address:**  
[www.agr.gov.sk.ca](http://www.agr.gov.sk.ca)  
**Tel.:** 1-888-935-0000  
(306) 728-7200

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